

LA Fashion District Business Improvement District

2009 Activity Reports

First Quarter

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I New Fashion District BID Boundaries

Due to the challenging renewal of the LA Fashion District Business Improvement District (BID) important boundary changes were adopted. In June 2008 the Board of Directors agreed to divide the district into Fashion District BID and Fashion District Two BID. A map of the revised boundaries is included here as *Attachment 1*.

The goal of this decision was to ensure that Clean & Safe services would continue in 2009 for those property owners who supported the BID renewal. Fashion District BID was approved by the City Council in December 2008. Fashion District Two BID did not reach petition sufficiency before the end of 2008. Clean and Safe services in Fashion District Two were terminated on January 1, 2009.

This report describes administration changes and operating activities that took place during the 2009 First Quarter only within the new Fashion District BID boundaries.

Please refer to the Administration section of this report for more details on the current status of the BID Renewal process.

2009 OPERATING BUDGET SUMMARY

The first quarter improvement and activity financial results are outlined in *Attachment 2*. The total improvement plan budget for 2009 Fashion District BID is **\$2.3 million**.

FINANCE

2008 Annual Audit & Financial Statement Review

Stanislowski & Harrison Auditors conducted the annual audit and reported that the financial statements presented fairly in all material respects the financial position of the Downtown Los Angeles Property Owners Association as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended are in conformity with generally accepted accounting principles in the United States.

The Board of Directors unanimously approved the 2008 Audit and Financial Statements at their meeting on February 26, 2009. A copy of the audit was forwarded to the Office of the City Clerk on February 2, 2009.

A summary financial statement will be communicated to property owners in the 2008 Annual Report and at the Annual Property Owner meeting on April 30, 2009.

Proposed 2009 Second Quarter Finance Activities

- Assist with Audit of BID Operations by the City of Los Angeles
- Prepare assessment data for County tax rolls.
- Continue BID renewal efforts.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2009 Annual Budget

\$1,725,977

76% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

First Quarter Contact Summary

The new Fashion District BID is comprised of 75 blocks compared to the previous 94 blocks in Fashion District BID 2003-2008. Year over year district-wide statistic comparisons will no longer be possible because of the revised BID boundaries. Increases and decreases in activity will be reported only on events and incidents that took place within the boundaries of the Fashion District BID during the 2009 First Quarter.

Illegal Vending Signs Proposed by Council District 9

Councilwoman Perry is considering submitting a motion to post signs in Santee Alley which advertise the fact that it is illegal to purchase counterfeit merchandise and live animals. She asked for feedback from property owners on this proposal before moving forward. CD 9 staff attended a Santee Alley meeting to discuss the issue. Property owners were opposed to posting the signs because business will be hurt. Shoppers, merchants, and property owners are not investigators or detectives who can tell the difference between illegal counterfeit merchandise and knock-offs which are legal. Subsequently CD 9 decided to pursue only post signs regarding animal sales in the Santee Alley. Future meetings are planned.

Captain Blake Chow Attends BID Operations Committee Meeting

On March 17, 2009 the BID welcomed the new LAPD Central Division Captain Blake Chow to the Operations Committee meeting. Captain Chow reported that overall crime stats have decreased in downtown. Central Division is implementing several important objectives that will benefit downtown and the Fashion District:

- Opportunity to work with BIDs
- Address quality of life issues that impact businesses
- Create a public safety net
- Increase Safer Cities Initiative by deploying more widespread coverage
- Increase communications with emails and monthly newsletters
- Deploy foot beats in densely populated areas like the Fashion District

Churches in the Fashion District

The BID is helping St Joseph Church at 12th & Los Angeles with outreach to homeless that are sleeping and living without permission on the property. Sixty years ago Franciscan monks lived at the property and provided services to homeless. St Joseph Church does not provide services.

The BID is also helping Los Angeles University Cathedral located at Broadway and Olympic to address aggressive panhandling before and after services.

Fiesta Broadway

The 20th Annual AT&T Fiesta Broadway takes place on Sunday, April 26, 2009 from 12 p.m. to 6 p.m. Broadway between Temple and 11th Street will be closed starting Saturday, April 25 at 7 p.m.

with streets remaining closed until 5 a.m. on Monday, April 27. These closures will impede vehicle traffic into and out of the district. Pedestrian traffic will not be affected. The BID is working with the event organizers to reduce the impact on the Fashion District.

Online with LAPD

LAPD Major Crimes Division has a web based tool called RRPICs which is a tool that can be used to share various types of information like pictures, maps, written posts and chat rooms.

LAPD created an Central Division/BID space on RRPICs that is available for sharing routine information about BID events.

The Crime Analysis Detail will begin to post the latest crime maps, community alert bulletins, demonstrations and other pieces of information that may impact public safety. BIDS will also have the ability to post information.

The Fashion District BID, Downtown Center BID, Downtown Industrial/Toy District BIDs already have access and more BIDs are scheduled to be added to this important community networking system.

BID Two Start Up

Clean & Safe Teams are prepared to start services on April 1, 2009 if the Ballot Election is successful. The area has been hit hard with illegal dumping, homeless encampments, nuisance behavior and graffiti since BID services were suspended on January 1, 2009.

Proposed 2008 First Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.
- Prepare for BID Two start up.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Graffiti

Problems with graffiti are on the increase in Los Angeles and downtown. LAPD is working with the BID's photos and Eponic data to map tagging activity. The BID is seeking restitution for property damage from recent gang convictions by the City Attorney.

Trash Truck Compactor

The BID is working with E-Tec to lease a trash collection truck with a built in compactor. The truck can compact 6 – 8 tons of trash which reduces trips to the landfill to one per day. The cost for leasing the truck is a better deal compared to the cost of purchasing a new truck and purchasing/renting space for a stationary compactor.

Graffiti Removal

2009 first quarter graffiti removal records show high numbers of graffiti tags within the downsized district. During the 2008 first quarter 1628 tags were removed in the 94 block district.

Graffiti Removal – 1st Quarter 2009

January	524
February	514
March	479
Total	1517

Trash Tonnage

A 19% decrease in trash tonnage (compared with 2008 1st quarter data) reflects the downsized district and also downward turn in the economy.

January	115 tons
February	97 tons
March	121 tons
Totals	333 tons

Proposed 2009 Second Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.
- Prepare for BID Two start up.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget

\$418,742

18% of the Overall Budget

This portion of the annual Fashion District BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, and Uncollected Revenue.

ADMINISTRATION

Governance

John Van den Akker resigned his position as Chairman of the Board. As required by the Bylaws Mr. Van den Akker nominated Vice Chair Mark Chatoff as his replacement which was accepted by Mr. Chatoff and unanimously approved by the Board Members. Mr. Van den Akker was thanked for his outstanding contributions to the BID over the last two years and during a very challenging BID renewal.

Board Member Election

Due to the lengthy BID renewal process the 2008 general election to elect Members to the Board of Directors was postponed. Board Members whose terms were supposed to end on December 31, 2008 were asked to continue to serve until the BID renewal process was completed. The Fashion District BID was renewed in December 2008 and it is anticipated that Fashion District Two will be renewed in April 2009.

The Nominating Committee met on March 26, 2009. Committee Members discussed the pros and cons of immediately holding a general election and postponing the process until the regular election in October. Two important issues include the cost of running the election and ensuring that potential candidates are in good standing with the organization including timely payment of assessments.

The Board of Directors consists of 15 members. Four vacancies currently exist. At the Board Meeting in April the Committee agreed to recommend postponing the election until October 2009 and appointing four property owners who have indicated interest to serve in the interim.

In preparation for the October election Committee Members will work to identify potential candidates for the 12 vacant seats.

BID RENEWAL

Fashion District BID

On December 17, 2008 the City Council ratified the Ordinance of Intention to renew the Fashion District BID for another 5-year term. The BID was overwhelmingly supported by 88.7% property owner approval in the Proposition 218 ballot.

Direct bill invoices were mailed to Fashion District BID property owners on February 4, 2009. Assessments are usually included in the property tax bill that is paid in December and April. Due to the lengthy BID renewal process and missing the June deadline to submit data to the County Assessor, direct billing was necessary in order to collect assessment revenue. The BID office has received many phone calls from property owners objecting to the timing of the billing and financial hardship during the current difficult economic environment. The Board recommended sending a

letter to owners to explain the reason for the invoices, that this is a one-time event, and to remind owners to pay the assessment to avoid late charges and penalties. The letter is included as Attachment 3.

Fashion District Two BID

On January 16, 2009 petitions from owners representing 50% of the assessment were received.

Combined BID Ballot and Amended Management District Plan

Based on reaching petition sufficiency for both Fashion District and Fashion District Two the City Council approved an amended District Management Plan. This combined plan will allow the two BIDs to merge if the Proposition 218 ballot is successful. Assessment amounts will not change significantly.

Ballots were mailed on February 12, 2009 and the Public Hearing was held on March 31, 2009. No protests were heard at the public hearing.

ADVOCACY

Signs Proposed for Prohibiting the Sale of Live Animals

CD 9 is presenting a motion to City Council to approve posting signage in the Santee Alley that prohibits the sale or purchase of live animals. CD 9 staff attended a Santee Alley meeting for feedback on an original motion that would also prohibit the sale and purchase of counterfeit merchandise. Alley owners were concerned about the public's ability to discern between counterfeit and legal merchandise and the impact on business. The proposed motion was revised and is attached here as *Attachment 4*.

Meeting with CD 14 Field Deputy Celina Mancía

On February 6, 2009 we met with Celina Mancía the new CD14 Downtown Field Deputy. In a follow up letter we emphasized our appreciation of the tremendous partnership with Councilman Huizar and his staff that has benefited our district and all of downtown Los Angeles.

We discussed several issues that negatively impact our area:

Two LAPD Divisions. The Fashion District is divided between Central and Newton Divisions. The district would be more efficiently served by changing the boundaries to include all of the Fashion District in Central.

Huntington Hotel, 752 S Main Street. This residential hotel is a blight on the neighborhood.

Inadequate Infrastructure. A 50-50 cost shared sidewalk repair program would be an incentive for owners to repair crumbling sidewalks. Currently the program only covers residential areas and has no funding. A storm drain located on 7th Street and Los Angeles Street is inadequate and requires investigation for possible repair.

Slow Retail Business. Small business assistance would help merchants adjust to the current economic changes. We estimate the existing vacancy rate at over 11%.

Lack of Transportation. The Fashion District is not well served by public transportation.

Permit Requests for Hostess Dance Halls. We oppose these clubs because we want to make our biggest customer base, women, feel comfortable visiting the Fashion District.

And, very positive projects and plans that we will keep her informed of as they progress:

Streetscape Improvement Project. Phase II of the Fashion District Streetscape Improvement Project extends through Council District 14 east along 7th Street and south on Los Angeles Street.

We are excited about the project and will be applying for Phase III funding to connect to the Blue Line Station on Washington.

Flower District. This area is expanding and will eventually require new types of services.

New Amenities. New restaurants and coffee shops opening throughout the district are welcomed by shoppers, buyers, and residents.

CRA Master Plan. This plan is in the early development stages and will take a comprehensive look at land use, circulation and infrastructure in the Fashion District.

New Neighborhood Prosecutors

Songhai Maguda-Armstead was promoted and is being replaced by two Neighborhood Prosecutors, Veronica Soto and Fenton Newhall. Soto will be responsible for the area north of 9th Street which encompasses the Safer City Initiative area. Newhall will be responsible for areas south of 9th Street.

Industrial Land Use Policy Update

The Fashion District testified at the City Planning Commission on March 12th where Planning Director Gail Goldberg and CRA/LA CEO Cecilia Estolano presented a review of progress on the City's proposed Industrial Land Policy. The Fashion District has consistently urged the City to adopt a land use policy that promotes mixed use projects and avoids those that are too narrowly focused on prescribing land for industrial use only.

Community Plan Update

The Planning Department is embarking on a Community Plan update which will address zoning and land issues in the LA Fashion District. A preliminary workshop on the Community Plan for downtown was held on February 26, 2009. The City has incorporated the comments of the Fashion District property owners who attended a June 2008 workshop at the California Market Center. In addition we are very happy that the CRA will soon be starting a comprehensive plan for the district that we are very involved.

Meter Removal & Bike Rack Pilot Project for the Fashion District

New Parking Pay Stations replaced 400 parking meters in the Fashion District. LADOT's Bicycle Program staff walked the area and recommended keeping about 170 existing meter posts for installation of the bicycle racks

The City is preparing the Fashion District to act as a site for their new Bike Rack Pilot Project. City Staff report that when meter poles are recycled to bicycle parking then people are more likely to use their bicycles for transportation around town.

Bike rack locations were selected by city staff during an inspection of the area that looked at which meters were currently used for bicycle parking. Then a second inspection took place when business owners were asked if they would mind if the meters outside their shops were converted to bicycle parking. The racks will enable cyclists to lock their bicycles and make sure that they are out of the way of pedestrians.

Street-level Store Vacancies Up

On Monday, January 5th staff drove the districts and estimated an 11% vacancy rate.

RAND Report Findings on LA BID's Effects on Crime

A just released report by RAND Corporation illustrated the role of BIDs in reducing crime. Not surprisingly the authors conclude that those BIDs that spend substantial resources on clean and safe generally see reduced crime in their BIDs compared to non-BID areas and BIDs without such

expenditures. The Los Angeles Times ran an article on the study on February 20, 2009 in which we were quoted. See *Attachment 5*.

Proposed Belasco Theater Raises Security Concerns for Fashion District

Two entertainment venues located on Hill Street between 11th Street and 12th Street share an alley boundary with the Fashion District. The Belasco Theater is located at 1050 S Hill Street and is seeking approval to open this summer. The Mayan Theater is adjacent to the Belasco. The two venues will have the potential to attract thousands of club goers.

Club closing times may be problematic for the BID. The Mayan closes at 2:00 am and the Belasco is seeking a permit to close at 4:30 am. At this time there is no cohesive plan for addressing traffic or outdoor security. Neither venue is in a BID that can help them address these impacts on the neighborhood. When clubs close at 2:00 a.m. many club goers continue partying in the parking lots. While the Belasco has a very comprehensive security plan to address these issues they make no contribution to the BID Clean & Safe Teams who patrol the neighborhood. The same is true for the Mayan Theater. The Fashion District could see increased crime and graffiti tagging in the neighborhood. We will track the progress of the Belasco permits and encourage a cooperative working relationship between managements to ensure the safety of the Fashion District. A public hearing scheduled for March 19, 2009 has been continued.

740 Club

A case against this nightclub located on Broadway could result in a revocation of their conditional use permit. The club, which opened in 2005, has a history of violent crime and noise issues. We attended a public hearing on Thursday, February 12, 2009 where community members voiced their objections to nuisance behavior generated by club goers. The Zoning Administrator left comments on the case open for the next eight weeks allowing time for the club and community to propose a plan that will make the club a better neighbor.

Film LA Notifications

Property owners and merchants are complaining to the BID about street closures for protest marches and filming during market weeks and weekend retail shopping days that hurt their businesses.

In November 2008 the BID met with representatives from Film LA to discuss including the Fashion District as one of the neighborhoods that receive email notification of upcoming productions. Film LA has found that neighborhood notification is vital to ensure on-location production can occur smoothly. Community stakeholders deserve to be well informed about upcoming filming before film trucks roll into their neighborhoods. The free program is intended to supplement their standard notification service in areas popular for filming, and we are working hard to expand coverage throughout all of the areas we serve.

We are now receiving film alerts from Film LA and resending the information to over 200 property owners. The alerts have been well received. As we build our email list the notices will reach more owners and merchants.

Preservation Issue – Redoing the Historic Building Ordinance

The office of Historic Resources (OHR), a subdivision of the Department of City Planning, is currently initiating a significant revision of the City's Cultural Heritage Ordinance. This 1962 ordinance created procedures for the designation and protection of significant LA buildings and sites. Recently the OHR made important revisions to the first re-draft of the ordinance. The BID is

working with CCA to draft an effective preservation ordinance that also addresses the concerns of the development community.

LA Marathon Routed Out of District

Based on property owner objections we have consistently opposed the LA Marathon Route passing through the LA Fashion District since 2007. Freeway closures, street closures, and set up/ take down time have caused immense disruption to business. We were pleased that the 2009 LA Marathon route has been moved out of downtown and back to the north side of LA County.

Bringing Back Broadway

At the Trustee's meeting on March 27, 2009 presentations from the planning, marketing, entertainment, and commercial reuse committees brought trustees up to date on current projects. Bringing Back Broadway is submitting an application for \$5 million in the 2009 MTA Call for Projects to fund streetscape improvements in the Pedestrian Improvement category. The Fashion District will submit a letter of support.

Street Car Update

The Los Angeles Streetcar Inc (LASI) board was formed and held initial meetings. The board will lead efforts to revive a downtown streetcar transportation system, identify opportunities for increasing parking options to serve Broadway, and work with LADOT, Metro and other related agencies to ensure access to Broadway in the most beneficial way to the revitalization effort. LASI is based on the successful non profit board model that both Portland and Seattle have used. Dennis Allen was hired as Executive Director of the organization.

CRA Green Policy

CRA/LA is seeking to require all new developments more than 10,000 sq ft that receive CRA benefits to comply with Silver Level LEED standards. Central City Association and Fashion District are working to reduce the restrictions to be imposed on projects by this requirement.

Visit from Governor of Queensland

Her Excellency Ms Penelope Wensley, 25th Governor of Queensland Australia, visited California Market Center on January 18, 2009 during Market Week to greet Queensland designers at the Australian Pavilion. This is the first Market Week that Australian designers have attended as a group.

Proposed 2009 First Quarter Administration/Advocacy Activities

- Continue to advocate for the Fashion District BID.
- Continue BID Renewal efforts.
- Prepare for Annual Property Owner Meeting.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

The 2009 Budget for Image & Communications was minimized to basic expenses for website maintenance, newsletter printing, and postage. Press releases are generated in house and have attracted some media coverage. Although the BID boundaries are limited to Fashion District BID for the first quarter 2009 we will continue to report and compare media impressions for the entire Fashion District. Media outlets and the public continue to view the Fashion District as it has been promoted for the last 10 years.

Free Workshop for Fashion District Retail Merchants

At the February 26, 2009 Board of Directors meeting Members approved support of a retail development workshop to be presented by the Historic Downtown Retail Project and funded by the Community Development Department. The dire economic times call for a short term remedy to help merchants adjust to the new retail environment. The free workshop called "Business Survival Skills in a Bad Economy" will be presented in May 2009.

Publicity

The Fashion District was featured in stories by Blogdowntown and the LA Times. The television show "Good Day LA" contacted the BID again this year to help produce a television segment in April on prom attire. See *Attachment 6*.

Lines Directory

The BID continues to update the popular website feature for wholesale buyers and retailers. The Lines Directory lists all brands available in the California Market Center, The New Mart, Cooper Design Space and The Gerry Building. The list is updated before every Market Week. A page of the Lines Directory is included here as *Attachment 7*.

Proposed 2009 Second Quarter Image & Communications Activities

- Prepare for retail merchant workshop.
- Prepare for Annual Property Owner meeting.
- Continue BID renewal efforts.

2009 First Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising
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<u>Media Impressions</u>	2008	2009
January	15,917,000	18,668,000
February	15,316,000	26,046,000
March	18,272,000	49,066,000
Totals	49,505,000	93,780,000

<u>Website Hits</u>	2008	2009
January	2,403,088	2,518,665
February	2,429,446	2,480,875
March	3,109,611	2,911,323
Totals	7,942,145	7,910,863

<u>Unique Visitors to Website</u>	2008	2009
January	26,121	41,221
February	34,936	40,237
March	50,738	47,617
Totals	111,795	129,075

<u>Free Advertising Dollars Leveraged</u>	2008	2009
January	\$113,368	\$275,926
February	\$144,181	\$303,805
March	\$181,875	\$458,288
Totals	\$439,424	\$1,038,019

SPECIAL PROJECTS

2009 MTA Call for Projects

The MTA has announced a 2009 TIP Call for Projects. This Call will be very competitive with many new proposed projects applying for funding this year. We are proposing an application for Phase III, an 11-block Pedestrian Corridor that will connect with and continue the Fashion District Streetscape Projects Phase 1 and Phase II. The enhanced streetscape corridor will encourage pedestrian traffic and public transportation usage by providing a safe and pleasant pedestrian environment.

The Phase III project will complete a 40-block Pedestrian Corridor through the LA Fashion District that will connect central downtown Los Angeles at the north boundary of the Fashion District along 7th Street and Los Angeles Street (Phase II Streetscape Project) to Santee Alley between Olympic Blvd and Pico Blvd (Phase I Streetscape Project) to the METRO Blue Line station on San Pedro St and Washington Blvd. located at the south boundary of the Fashion District (proposed Phase III Streetscape Project). At the February 25, 2009 meeting the BID Board of Directors approved a \$25,000 overmatch for the Phase III Streetscape project that could leverage \$750,000 to \$1.6 million of MTA funding.

On Friday, March 20th we learned that the application was ranked 16 of 30 on the City's Final Project List and assigned an estimated cost of \$2 million.

The next step is approval from the Mayor and City Council to submit the project list to the MTA for approval.

Santee Alley Streetscape Construction Timeline

We attended the preconstruction meeting on Thursday, March 19th where department supervisors from Bureau of Engineering, LADOT, Bureau of Street Lighting, Urban Forestry Division, Street Resurfacing, and Special Projects discussed individual projects and the general timeline for start up and completion.

The project is scheduled to take approximately four months to complete. Work began on March 25, 2009 with removal of three Ficus trees on Olympic Blvd. to be followed by sidewalk removal and repaving.

Actual construction inside the alleys begins in April with concrete saw cutting followed by trench drain installation. This phase will take several months to complete and the work will be done at night in 50 foot increments. Information flyers will be distributed to merchants alerting them to the construction timeline and reminding them that it is critical that new concrete should be allowed to dry during the day – concrete washing will ruin the new paving and set the construction time back by several days with each incident. Project closeout is scheduled for August 2009.

9th & Main Median Project Update

The median should be covered with pink flowers, healthy trees and lighted domes but it is not. The BID is supposed to take over maintenance of the project in June 2009. However, we will refuse to accept the responsibility until all the components are operating properly. We continue to be disappointed with the plantings, unlighted domes and unlighted trees.

In October 2008 we reported to LADOT and the contractor Comet Electric, that the plants didn't look healthy and were not thriving. The landscaping company believed that foot traffic is damaging the plants and the BID does not agree with that opinion for several reasons.

The Fashion District Clean & Safe Teams and the Night Vehicle Patrol work 24 hours a day – 7 days a week. The median is under constant surveillance by all team members who have been directed to report any instances of foot traffic at the site. The Safe Team also records all activity in the district on the Eponic Data Collection system that everyone carries as part of their equipment. In all circumstances, there are no reports or records of anyone seen on the median either using it for a foot path or a place to sleep. Records are available for review.

Also, our offices overlook the median and the only foot traffic we've ever seen has been the foot traffic during construction and landscaping. October 2008 was a very busy month in the district where five apparel and textile markets attracted thousands of buyers to the area. We did not see anyone walking on the median.

The contractor suggested a fence however the BID does not believe that it will solve the landscaping problem. A break in the irrigation lines is more likely the problem. Several pictures of the median are attached which show the poor growth. We strongly suggested replanting the median. There was no response.

On March 23, 2009 we met with the contractor to look at the problems. They found a break in the irrigation line which had cut off water to the north part of the median and resulted in dead plants. They also found evidence of rodent infestation which they believe is causing the breaks in the irrigation and power lines. The contractor replaced the LED light ropes on the domes and the irrigation is patched together however these are not long term solutions to the problems. They suggested replacing the irrigation lines with rodent resistant tubing. This could be a costly problem that the BID does not intend to assume.

We will make every effort to ensure that the median does not become a liability to the BID. We contacted LADOT and set up a meeting in early April with the project manager, BID staff and the landscape architect to evaluate the median. (see Attachment 8)

Street Paving Request List to Council District 14

Council District 14 requested BID input on recommendations for several streets in need of repavement for the 2009/2010 fiscal year. Santee between 8th & Olympic (Fashion District) San Julian between 7th & Olympic (Fashion District) were recommended. Determinations will be announced.

Proposed 2009 Second Quarter Special Projects Activities

- Work with the Bureau of Street Services to submit an application to the 2009 MTA Call for Projects for funding Phase III Streetscape Improvement.
- Continue to participate in the Streetscape Improvement Projects at 9th and Main Streets, and the Santee Alley.

Attachments

- 1 Map of Fashion District BID & Fashion District Two Boundaries
- 2 First Quarter Financials (to be forwarded upon completion)
- 3 Letter to Fashion District BID Property Owners
Regarding Direct Assessment Bills
- 4 Proposed Motion to Prohibit Sale of Live Animals
in the Fashion District
- 5 RAND Report Findings – *LA Times*
- 6 Recent Publicity
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LA Fashion District Business Improvement District

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- Special Projects Programs

II Attachments

I SECOND QUARTER ACTIVITIES

2009 OPERATING BUDGET SUMMARY

The second quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for the 2009 Amended Fashion District BID is **\$3.9 million**.

FINANCE

On April 1, 2009, services resumed in the entire district. The total District budget for the 2009 year of operation is approximately \$3.9 million. This represents an 18 % decrease in revenue compared to the 2008 budget. Actual collected revenue could be significantly less due to non-payment of individual invoices. The Board of Directors, elected by the property owners, agreed to reduce the budget because of the challenging economic times. As a result, some BID programs have been reduced or eliminated. We are doing our best with less.

61% of the budget is spent on **Clean & Safe** programs. Maintaining the public environment is the cornerstone of our success and we continue to dedicate the majority of assessment funding to this task.

7% is allocated to **Image / Communications / Special Projects** programs and specifically maintaining and updating the popular website at www.fashiondistrict.org

6% of the budget is allocated to **Administration** which includes salaries, office rent, liability insurance, and legal costs.

5% is allocated to cover **City Fees, Depreciation, and Uncollected Assessments**.

21% of the budget is allocated to the **North & South Alley Overlays** that are funded only by owners in the two alleys to provide special services for this high pedestrian traffic area.

Special Assessment Invoices from the City of Los Angeles

The City of Los Angeles issued invoices for the Fashion District BID special assessment. Invoices for Fashion District BID 2 were mailed in May. We sent a letter to FD2 property owners urging them to remember to pay the assessment before the due date to avoid interest charges and penalties.

As of June 15 the BID had collected over 75% of the total 2009 assessments. 82% of the assessments were remitted in Fashion District One and 60.4% of the assessments were remitted in Fashion District Two. With the understanding that collections would likely be reduced from previous years the BID Board of Directors and staff worked to cut expenses below worst-case-scenario collection levels.

2010 Assessment Increase

On May 23, 2009 the Board of Directors agreed to increase 2010 assessment rates by 1%.

2010 Assessment Data Submitted

Assessment data was submitted to the City Clerk's Office by the June 1 deadline. BID assessments will appear on the County property tax bills once again and not as individual direct billings. The sub standard collection rate on the direct billings has negatively impacted the BID's cash flow for 2009.

City Auditor

The City Clerk's office selected the Fashion District as one of five BIDs to be audited this year. Audits are planned for all BIDs over the next several years. We complied with all their requests and expect a final report of their findings in August.

Proposed 2009 Third Quarter Finance Activities

- Continue to assist with Audit of BID Operations by the City of Los Angeles

PUBLIC SPACE MANAGEMENT ACTIVITIES

2009 Annual Budget

\$2,387,782

61% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Second Quarter Contact Summary

The Amended Fashion District BID is comprised of 115 blocks compared to the previous 94 blocks in Fashion District BID 2003-2008. The Eponic Data Collection system was reformatted to record activities in the new boundaries. Year over year district-wide statistic comparisons will no longer be possible because of the revised BID boundaries. Quarterly statistic comparisons will commence after the Third Quarter 2009.

The Clean & Safe Teams conducted and recorded 36,471 individual contacts of various types during the 2009 second quarter.

Illegal Vending was the highest activity category in the second quarter of 2009 with 1,525 events recorded. The Illegal Vending category includes illegal sales of food, DVD's, merchandise and animals. Consistent enforcement in partnership with LAPD, Health Department, and Animal Services limited the rampant illegal sale of pets, DVD's and food; however illegal vending continues to damage the legal economy in the district.

Disorderly Conduct was the second highest activity category with 1,185 events recorded. This category shows the number of times the BID has addressed incidents of nuisance behavior that endanger the public environment. The category includes drinking in public, trespassing, panhandling, drug activity, drunk in public, loitering, and blocking the public right of way.

As a proactive precaution against criminal activity, the BID continues conducting **Location Checks for Crime Prevention** and recorded 16,000 individual location checks recorded during the second quarter of 2009. This category includes location checks for crime prevention, ABC checks, unlawful lodging, and labor workers.

Counterfeit Merchandise Sales and Gang Activity

On June 26, 2009 an off-duty police officer was attacked by three gang members while he was walking to his car after a shift working in the South Santee Alley. On June 27th one suspect was arrested. Gang activity has increased with the illegal vending of DVDs, merchandise and animals. LAPD is working to address the problems.

Court Decision Favors Catering Truck Vendors | Enforcement Pending

On Friday, June 5, 2006 a new ruling by the LA County Superior Court overturned a 2006 City ordinance that set limits on the amount of time that catering trucks and other curbside carts can park in a location. The ruling stated that the city had overstepped its legal authority as catering trucks are regulated by the state. This new ruling will have a negative impact on merchants that have complained about catering trucks parked in front of their stores all day long which prevents shoppers from parking.

Fiesta Broadway

The 20th Annual AT&T Fiesta Broadway took place on Sunday, April 26, 2009 from 12 p.m. to 6 p.m. We worked with LAPD and the Downtown Center BID Team to ensure that the event took place with minimum disruption to businesses.

Laker's Victory Instigates Nuisance Behavior

Good job and great anticipation! Quick deployment and protection by the Fashion District BID Safe Team officers ensured property protection and safety for the LA Fashion District after the Laker's championship victory on June 14, 2009.

Once the Laker victory seemed certain, the BID's Operations Team deployed five personnel to patrol the western boundaries of the district. As the crowds were dispersed in various directions by the police, Fashion District Safety officers maintained order in the district and prevented the vandalism and disturbances that were witnessed elsewhere on television.

Proposed 2009 Third Quarter Public Safety Activities

- Address illegal vending in the district.
- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, weeding and poster removal.

Council Recognizes Fashion District BID Efforts to Improve the Environment

Councilmember Jose Huizar nominated the Fashion District to receive a special Certificate of Recognition for our participation in environmental efforts in Los Angeles. Councilwoman Jan Perry, Chair of the Energy and Environment Council Committee, and Detrich B. Allen, General Manager of EnvironmentLA (Environmental Affairs Department), presented certificates to nominees on Earth Day, April 22, 2009 at City Hall Chambers in Downtown Los Angeles.

BID Board Chair Mark Chatoff and BID staff attended the celebration commemorating Earth Day and the efforts of all of the nominated environmental heroes. This is a partial list of other recipients that were elected for recognition by their Councilmember: Los Angeles River Keepers; Project Youth Green; Dr. Glenn Lopez – Air Toxic Study; Santa Monica Bay Restoration Commission.

Graffiti Removal

2009 second quarter graffiti removal records show high numbers of graffiti tags in the 115-block district.

Graffiti Tags Removed – 2nd Quarter 2009

April	419
May	490
June	566
Total	1475

Trash Tonnage

Trash Tonnage Collected – 2nd Quarter 2009

April	127 tons
May	136 tons
June	130 tons
Totals	393 tons

Proposed 2009 Third Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget **\$726,000** **18% of the Overall Budget**

This portion of the annual Fashion District BID budget includes all Administration, Image & Communications, Special Projects service programs, and City Fees, Depreciation, and Uncollected Revenue. The remaining 21% of the budget is the North and South Santee Alley Overlays.

ADMINISTRATION

Governance

Annual Meeting

The annual property owner meeting convened on April 30, 2009. A copy of the Annual Report is included here as **Attachment 2**.

Board of Directors Seat Vacancies

Several vacancies on the Board could be filled however according to the Bylaws ten Board Members must be present to vote on removal and appointment of new Board Members. As of the end of the second quarter we have been unable to achieve a super majority quorum of 10 members.

Advocacy

Ethics Commission

This City department is looking at including BIDs in the City's proposed Lobbying Ordinance. Their determination could require all BID staffs to register as lobbyists. BIDs are working together to make the case that staffs are acting for a whole area and not an individual business.

Community Plan Meeting

Attendance at the meeting was sparse but the visions and concepts for the future of the Fashion District were abundant. The Community Plan meeting hosted by the City of Los Angeles Planning

Department on Thursday, June 25, 2009 in the Fashion District provided a venue for public input on issues such as infrastructure, transportation, sustainable development, economic development, business promotion, and housing. The Planning Department plans to release a first draft of the plan later this year.

Sidewalk Repair List for Council District 14

On April 7, 2009 the BID was contacted by Council District 14 for a short list of sidewalks in need of repair. We selected the south east corner of 9th and Los Angeles Street. This is a very important corner for the wholesale apparel buildings of The Intersection. It gets large numbers of pedestrians throughout the year - especially during Market Weeks. If the decision is made to replace the sidewalks on this corner the BID also urged BSS to investigate the large utility box on the Los Angeles Street side to determine if it is a working and necessary utility. It may be abandoned and it would be great to get it removed during sidewalk construction. We'll look forward to hearing about the decision.

LADOT Projects in the Fashion District

Parking Pay Stations

The BID is receiving good input from owners and shoppers about the new parking pay stations. The parking restriction notices that come up on the station screen are especially helpful when people are not sure about when and how long to park in a location.

Bike Racks on Hold

Parking Pay Stations eliminated the need for parking meters and poles. All parking meter poles were removed except for approximately 200 which were designated for conversion into bike racks. Funding for the project was put on hold.

Scramble Intersections

We are getting negative feedback from owners, pedestrians, and drivers. Basically the crosswalks are not working for us. Pedestrians cross when the traffic light turns green and are getting expensive jaywalking tickets, drivers get stuck in the middle of the intersection when the lights go red for pedestrian crossing, and the traffic backup is tremendous. We have already received an unprecedented outpouring of complaints about traffic gridlock at the scramble intersections. Council District 9 approved removal of the scramble intersections.

Holiday Parking Restrictions and Customer Complaint

A letter was received from a very disgruntled shopper who got a parking ticket on Christmas Eve 2008 for parking on Maple Avenue. See **Attachment 3**. We forwarded a copy to LADOT so that when discussions begin about removing parking for Holiday 2009 we will remember to consider this shopper's complaints. Perhaps there are some options for alerting people about parking restrictions.

Voices of Fashion Meeting

On May 26 and June 15 Board of Public Works President Cynthia Ruiz convened meetings in the BID offices with apparel industry reps to discuss special events to open the Spring '10 Market Week in October.

Support for CUB Permits

The BID submitted support letters to the Zoning Administrator for alcohol licenses for a dining establishment and entertainment venue in the Fashion District. We also attended the public hearings.

Meeting with DWP

On June 29, 2009 we met with representatives from the Department of Water and Power to follow up on issues discussed at a previous meeting on May 12th. Two BID property owners attended. DWP will continue forward email newsletters to the BID for distribution to property owners. The newsletters feature up to date information on cost reduction and energy saving programs. Owners

were encouraged to review the programs and contact DWP for assistance with program applications and building audits.

State of BID Video

The BID Consortium, an organization of all BIDs in Los Angeles, produced a documentary video to show the many services that BIDs contribute to the betterment of LA. The video will be debuted at City Council on April 21, 2009 when all BID's were thanked for the work they do to revitalize business districts throughout the City. The LA Fashion District received special thanks from Board of Public Works President Cynthia Ruiz.

Street Car Letter of Support for Multimodal MTA Project

The BID wrote a support letter for the Los Angeles streetcar project ("LA Streetcar project") proposed for Downtown Los Angeles by a to-be-incorporated California nonprofit organization operating under the name Los Angeles Streetcar, Inc. ("LASI"). Steve Needleman and Kent Smith are both interim Board members of LASI. We asked that Metro fund the same as part of its 2009 Call for Projects.

Bringing Back Broadway 2009 MTA Proposal Call Support Letter

The BID wrote a letter to support the Inter-Modal Transit Information and Wayfinding System on Broadway between 2nd and Olympic. Many of the shoppers who patronize the Fashion District travel via Broadway on public transit. Providing real time travel information will make their journey easier. We are represented on the Bringing Back Broadway Initiative which is dedicated to the revitalization of this historic thoroughfare. Creating a better transit experience for users is an important component of the rejuvenation of one of LA's most significant streets.

Presentation on LA Street Car

Dennis Allan, executive director of LA Streetcar Inc (LASI), explained the purpose, benefits and scope of the downtown streetcar project. Estimated installation cost is \$90 million plus \$6 million per year to operate the system. Timetable for completion is 4-6 years. Possible funding sources will include public grants and individual property owner assessments. A follow up presentation will provide additional details about the assessment formula and route alignment.

DLANC Tree Project

On Tuesday, June 16, 2009 we met with Gunnar Hand from the Downtown LA Neighborhood Council's Sustainability Committee. The group is working to create a Downtown "greening strategy". One of the projects is the Skid Row tree planting initiative. The Fashion District borders Skid Row for several blocks on 7th Street and will be included in the project area. The BID volunteered to water and maintain the new trees after they are planted.

Proposed 2009 Third Quarter Administration/Advocacy Activities

- Continue to advocate for the Fashion District BID.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Image & Communications Committee Meeting - Priorities for 2009 – 2010

At the May 14, 2009 meeting Committee Members considered several scenarios for allocating funds to continue promoting the Fashion District as an important destination for the wholesale buyers, retail shoppers, and as a creative center of the apparel industry.

Updating the website was the number one priority. An Ad Hoc Committee was appointed by the Board Chair to work on the update.

2009 Second Quarter records show that Website Hits increased 23% over 2008 Second Quarter numbers, and Unique Visitors increased 45%.

2009 Second Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising
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<u>Media Impressions</u>	2008	2009
April	17,439,774	19,799,440
May	30,278,149	23,284,096
June	28,030,183	26,197,273
Totals	75,748,106	69,280,809

<u>Website Hits</u>	2008	2009
April	2,545,145	3,023,154
May	2,390,888	2,935,193
June	2,199,640	2,837,188
Totals	7,135,673	8,795,535

<u>Unique Visitors to Website</u>	2008	2009
April	38,521	49,871
May	27,027	51,085
June	39,245	50,922
Totals	104,793	151,878

<u>Free Advertising Dollars Leveraged</u>	2008	2009
April	\$774,146	\$450,740
May	\$787,154	\$405,155
June	\$591,288	\$266,115
Totals	\$2,152,588	\$1,122,010

Proposed 2008 Third Quarter Image & Communications Activities

- Continue to develop website revisions

SPECIAL PROJECTS

Santee Alley Streetscape Improvement Project Construction Update

Trench Drain

Construction on the South Santee Alley trench drain was completed the last week of May. Work on the North Alley began in June.

Problems with the South Alley trench drain have developed. Photos are included here as **Attachment 4**.

During construction concrete was removed from the center of the alley and replaced with a graded elevation drain trough that is designed to carry water to the newly constructed storm drains on Maple Avenue. The trench drain is covered with decorative metal grates to prevent litter from entering the system however merchants are sweeping litter into it that jam the water flow. The BID will begin pressure washing the drain to remove standing water that is resulting from the litter sweeping. The Clean Team removed over 20 pounds of trash from the South Santee Alley drain.

Vandals carved graffiti into the newly poured concrete that destroyed 100 feet of the surface work.

Construction crews plan to remove and re-pour the concrete in this section.

Sidewalk Repair

New sidewalks on the north side of Olympic between Los Angeles and Santee are another feature part of this extensive streetscape improvement project. New trees were planted and the BID is watering them daily.

Street Repaving

Maple Avenue between Pico and Olympic was graded and repaved during the weekend of June 27, 2009.

The area is now being prepared for application of Duratherm pavement stamping. The pattern will be the same wagon wheel as already exists at 9th & Los Angeles Streets. We are working with the Bureau of Engineering to obtain cost estimates for including the Fashion District icon used on the downtown Wayfinding Signage on the crosswalk stamping.

Duratherm Street Stamping

As part of the streetscape improvement project 10 intersections will be stamped with colorful wagon wheel patterns similar to the pattern already installed at 9th/LA. We are working with the Bureau of Engineering to cost the addition of Fashion District icons into the pattern.

Scramble Intersection Traffic Light Removal

DOT reports the traffic lights will be returned to normal patterns in about 6-8 weeks. They are waiting for the Duratherm Street Stamping to be installed. DOT crews clarified the signal operation to the best of their ability pending the other work which must be done.

9th & Main Median Streetscape Improvement

On June 25, 2009 we met with the LA Department of Transportation to review and correct the construction and irrigation deficiencies in this location. The contractor, Comet Electric, had agreed to rebuild any improperly installed systems and with proper equipment at no cost to the City.

Several problems with the irrigation were discovered and as a result the groundcover had died off in large areas of the median. Kato Landscaping repaired the irrigation lines and replanted all the groundcover. A review meeting is planned for the end of August. If all systems are working the BID will assume maintenance of the median.

Uniform Parking Signage Project Proposal Receives Funding Notification

On May 6, 2009 the BID received final approval for funding of a Uniform Parking Signage Project. U.S. Congresswoman Lucille Roybal-Allard and her fine staff in Los Angeles and Washington D.C. worked with the BID to procure the funding from the Congress in the Consolidated Appropriations Act 2008. We are working with HUD to activate the special project grant.

Proposed 2008 Third Quarter Special Projects Activities

- Continue to participate in the Streetscape Improvement Projects at 9th and Main Streets, and the Santee Alley.
- Continue to implement the Uniform Parking Signage Project.

II Attachments

1. First Quarter Financials
2. Annual Report
3. Customer Complaint Regarding No Parking Zones
4. Photos of Santee Alley Streetscape Drain Problems

LA Fashion District Business Improvement District

2009 Activity Reports

Third Quarter

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I Third Quarter Activities

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Administration and Advocacy

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- Special Projects Programs

II Attachments

2009 OPERATING BUDGET SUMMARY

The third quarter improvement and activity financial results are outlined in *Attachment 1*. The total improvement plan budget for the 2009 Amended Fashion District BID is **\$3.9 million**.

FINANCE

City Auditor Report

The City Clerk's office selected the Fashion District as one of five BIDs to be audited this year. Audits are planned for all BIDs over the next several years. We complied with all their requests and received a positive final report in September.

Proposed 2009 Fourth Quarter Finance Activities

- Prepare 2010 budget

PUBLIC SPACE MANAGEMENT ACTIVITIES

2009 Annual Budget **\$2,387,782** **61% of the Total Budget**

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Third Quarter Contact Summary

The Amended Fashion District BID is comprised of 115 blocks compared to the previous 94 blocks in Fashion District BID 2003-2008. The Eponic Data Collection system was reformatted to record activities in the new boundaries. Year over year district-wide statistic comparisons will no longer be possible because of the revised BID boundaries. Quarterly statistic comparisons are shown here.

4th Quarter **Illegal Vending** activity decreased by 22% compared to 2nd Quarter totals. The Fashion District worked closely with the LAPD during the 3rd Quarter to reduce the escalating numbers of illegal vendors in the district.

Disorderly Conduct events decreased 21% compared to last quarter.

Seven **Robbery** events were recorded in the 3rd Quarter compared to one event recorded during the 2nd Quarter.

As a proactive precaution against criminal activity, the BID continues conducting **Location Checks for Crime Prevention** with over 15,675 individual location checks recorded during the first quarter of 2009.

3rd Quarter **Vandalism** property/vehicle events dropped to 8 incidents compared with 92 events recorded in the 2nd Quarter.

In the **Citizen Assist** category 2270 **Yellow Tags** were issued to customers as a courtesy to alert them that their car door/window is open, keys were left in the vehicle, pet was left in the vehicle, lights are on, flat tire, visible packages. Yellow Tag distribution was increased in an effort to reduce the number of Vandalism events recorded in the 2nd Quarter.

Discussion with LAPD Deputy Chief Sergio Diaz

Chief Diaz announced his candidacy for the position of Chief of Police of the Los Angeles Police Department at the Board of Directors on September 24. Chief Bratton resigned after leading the force for seven years. Chief Diaz reinforced his positive position on community policing, the partnership between the LAPD and business improvement districts.

Chief of Police Selection Criteria

LAPD Chief Bratton will be leaving LAPD on October 31, 2009. The LA Fashion District will write to the Police Commission to encourage them to hire a new chief who will be equally committed to keeping the partnership with BIDs which has made a substantial contribution to reducing crime both in the LA Fashion District and downtown. (*see Attachment 2*)

The LA Fashion District has developed a very strong relationship with LAPD. One of Chief Bratton's major programs is the Safer City Initiative in Skid Row which has added 50 police officers into this area and includes a portion of the Fashion District. The results have been impressive including falling crime rates, less encampments and more help for homeless individuals. Latest counts show that encampments have been reduced from well over 1000 in 2006 to approximately 500 in September, 2009. While significant progress has been made there is still much more to be done addressing criminal activity in Skid Row and the Fashion District. We are working with other downtown stakeholders including our BID colleagues and many social service organizations to draft a resolution to send to City Council supporting the continuance of the Safer City Initiative.

A new LAPD Police Chief who embraces Chief Bratton's priorities, the continuation of the Safer City Initiative in Skid Row and a regional strategy to reduce chronic homelessness will provide a strong foundation for the economic success of the LA Fashion District.

Catering Trucks and Illegal Dumping

The Board of Directors considered a proposal to allow the BID to collect trash from the catering truck vendors. This measure is being considered to prevent continual illegal dumping from these curb side food vendors and help keep the district clean. Catering truck vendors would be required to pay \$40-\$50 each, per month for trash collection and agree to keep their area clean. Board Members expressed concern about participating in this plan since many property owners are opposed to any street vending that detracts business from tenants that pay rent and taxes. Board Members agreed to consider a revised agreement.

Joint Fashion District / MPAA Award

Several weeks ago the LAPD confiscated thousands of dollars worth of illegal DVDs from a Fashion District warehouse. Captain Chow suggested offering an award for tips leading to other DVD warehouses in the area that could eventually eliminate illegal DVD sales from our district. The Fashion District and MPAA will partner to offer \$1000 rewards to citizens whose reports lead to future confiscations.

Common Ground Homeless Count

We are also working with Common Ground, a social service organization with a successful track record in NYC's Times Square, the City and the County to interview every homeless individual in our district and Skid Row in an effort to link them to services. Many are veterans who have services already available for them. We will continue to work to get these individuals off the streets.

In December 2007, Common Ground worked with 24 agencies in Los Angeles to create a by-name list (registry) of the people sleeping on the streets of Skid Row who were at the greatest risk of dying through the use of our Vulnerability Index Survey.

During the week of September 21st the Fashion District in partnership with the local community and Common Ground updated the registry of street and sheltered homeless individuals within the 3 census tracts that make up Skid Row. We counted homeless individuals in the Fashion District. The data collected will be essential for achieving a measurable census reduction on the streets and in the shelters.

Huntington Hotel Up For Sale

This notoriously problematic residence hotel is located at 8th and Main. The owner, Landmark Equity Management, was supposed to sell the property by Thursday, September 3, 2009 or face payment of \$6 million in fines. However, the City Attorney's office granted a deadline extension to October 5, 2009. The CA's office hopes the extension will allow Landmark to sell the hotel to the downtown non-profit Communities Actively Living Independent and Free (CALIF). This organization provides services for low-income, disabled clients. Another extension could follow if escrow does not close by the October 5th deadline. Landmark is selling the Huntington Hotel along with its other LA properties by order of the former City Attorney for trying to illegally evict its low income tenants.

LAPD BID Appreciation Awards

On August 26, 2009 the LAPD recognized the contributions to public safety made by BIDs at the annual appreciation awards luncheon. Fashion District Officer Newman received a special proclamation from the City of Los Angeles for his fine work. (see *Attachment 3*)

LAPD True Blue Gala Event

Thanks to generous donations from Board Members and property owners the Fashion District will have a table at this much anticipated event.

Proposed 2009 Fourth Quarter Public Safety Activities

- Prepare for holiday retail season.
- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Streetscape Improvement Maintenance

The Clean Team is taking on maintenance of the 9th – Main Median project and the Santee Alley trench drain. As more projects are completed maintenance work will increase. Schedules and maintenance plans are being refined to ensure that every project is kept in good condition.

Graffiti Removal

2009 third quarter graffiti removal numbers remain high. Higher second quarter totals reflect the initial clean up efforts that were carried out in blocks that were new to the amended district.

Graffiti Removal – 3rd Quarter 2009

2 nd Quarter	1475	3 rd Quarter	1307
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Trash Tonnage

The LA Fashion District BID has assumed the maintenance work in the South Santee Alley. The increase in the 3rd Quarter trash tonnage reflects the additional collection in the Alley and several other locations not previously serviced by the BID.

Trash Tonnage – 3rd Quarter 2009

2 nd Quarter	393	3 rd Quarter	413
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Proposed 2009 Fourth Quarter Public Maintenance Activities

- Prepare for holiday retail season.
- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget	\$418,742	18% of the Total Budget
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This portion of the annual Fashion District BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, and Uncollected Revenue.

ADMINISTRATION

GOVERNANCE

Board Member Election

On December 31, 2009 the terms of twelve of the fifteen members of the Downtown Property Owners Association (DPOA) Board of Directors will end. This is the sixth direct election of Board Members by LA Fashion District property owners. The 2008 Election was postponed due to the BID Renewal.

The Election Committee met on July 30, 2009 to review election timeline and procedures for the 2009 Board of Directors election. On August 14, 2009, all property owners within the boundaries of the LA Fashion District Business Improvement District (BID) received an invitation

to become a candidate and election instructions. Nominations closed on September 21, 2009. 14 candidates will run for the 12 Board seats.

Voting ballots will be mailed in November. The campaign ends on December 2nd. Election results will be publicly announced at the Board of Directors on December 10, 2009.

ADVOCACY

City Attorney to Visit the Fashion District

Mr. Trutanich is very interested in talking with the Board about illegal vending. We have informed him that the district is inundated with both Cushman Carts which park at a meter all day long in front of businesses plus a growing number of sidewalk vending carts. The meeting is scheduled for October 15, 2009.

Presentation on Design for Development Plan by the Community Redevelopment Agency

At the Board of Directors meeting on September 24, 2009 CRA representatives presented the draft Master Plan designed specifically for the LA Fashion District. This is the first time a plan has been proposed to help guide future development in the Fashion District.

The plan consists of four main elements: a Market Study, and Land Use, Circulation, and Urban Design. The goal of the presentation was to gain feedback from Board Members on what is the best mix of uses for the Fashion District. Board Members recommended consideration of the future use of existing warehouse and manufacturing space. Next steps include meetings with stakeholders and technical consultants.

Kent Smith Appointed to United Way/LA Chamber of Commerce Homeless Task Force

Smith was invited to sit on the Business Leaders Task Force on Homelessness with a core group of regional business leaders. The group will advocate for permanent, proven solutions to homelessness that will hold existing systems accountable to using limited resources effectively. The Task Force will meet every other month for the first six months in order to establish key priorities.

This 20-member County wide Task Force has the support of the Mayor and will identify 5 key communities to focus on for significant reductions in chronic homelessness over the next two years. This is a results oriented business task force whose goal is to achieve real results over a short timeframe.

Reducing the number of homeless in the Fashion District requires a regional approach. Property owners have been asked for input into this effort which is modeled on other cities' successful programs to reduce chronic homelessness in their communities.

Opposition to Hardship Exemption for Marijuana Clinic

This clinic is located on the northeast corner of 9th & Main. We testified in opposition of the hardship exemption at the public hearing. City Council denied the exemption however the clinic continues to do business. We will track the progress of this closure.

BID Coalition Forming to Promote Main Street Development

A recent effort to remake Crabby Joe's bar (located at 7th and Main) into an upscale neighborhood pub was shot down by the zoning administration for technical errors in the permit application process. On Wednesday, September 2, 2009 a group of BID representatives and permit consultants met with CD 9 staff to discuss what happened. The bar remake was a first step toward turning around this area of Main Street that has a history of drug sale problems.

United Coalition East (UCEPP) was at the front of the opposition to the new bar. Their position against more establishments that serve alcohol in downtown is a dominant voice however Midnight Mission and other such groups were in favor of the new bar. CD 9 made several suggestions for ways to research the problem. The BID/Consultant group will reconvene with CD 9 staff to discuss how proposed developments could be presented in the future.

Cultural Heritage Ordinance

On Thursday, September 10, 2009 the City Planning Commission (CPC) approved the latest draft of the Cultural Heritage Ordinance. Despite widespread business community objection, the CPC agreed with staff's recommendation to implement a potential one-year stay on all interior work. Permits for interior work would continue to be referred to the Office of Historic Resources (OHR) for review; however, OHR would not have the authority to deny approval of interior work altogether. Instead, it could object and stall the issuance of the permit for no more than 180 days, with a possible 180-day extension upon approval by City Council.

A potential one-year stay will significantly hamper a business' ability to efficiently modify interior space and respond to competitive market demands. We will track progress as this issue moves through the City Council process.

IDA Annual Conference

This year's conference was hosted by the City of Milwaukee. Kent Smith and Randall Tampa represented the Fashion District BID and both made presentations at the conference. The BID, in partnership with Downtown Center BID and Downtown Industrial BID, sponsored travel for Captain Blake Chow. Captain Chow sat on the panel to discuss public-private partnerships - how LAPD and the BIDs successfully work together.

Proposed 2009 Fourth Quarter Administration/Advocacy Activities

- Continue to advocate for the Fashion District BID.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Website Revision Underway

The LA Fashion District website needs a new look. An Ad Hoc Website Committee issued a Request for Proposal and four consultants responded. The committee reviewed the proposals and agreed to recommend SF Digital based on cost and project priorities. Work will begin in October; the goal is to complete most of the project before the holiday shopping season begins.

Market Week Promotion Publication

The Intersection group sponsored a direct mail campaign publication to invite wholesale buyers to the upcoming October Market Week. A special message from Mayor Villaraigosa welcoming buyers is an important commendation for the LA apparel industry from the City of Los Angeles. See it on www.apparelnews.net in the Special Sections tab.

Project Runway Great for LA Fashion District

The popular show is becoming a priceless advertising campaign for the Fashion District. Images of the Fashion District are shown in every episode. The Wayfinding Signage icon showed up several times on the August 27th episode. Lifetime, the channel that carries the show, also has a second cable show called Lifetime Real Women which shows Project Runway 24 hours a day during weekends. This partially accounts for the overwhelming number of media impressions recorded for August and September.

Third Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising

<u>Media Impressions</u>	2008	2009
July	20,105,562	21,649,087
August	21,909,204	106,152,619
September	20,973,613	57,770,201
Totals	62,988,379	185,571,907

<u>Website Hits</u>	2008	2009
July	2,892,908	2,649,087
August	2,937,003	3,147,166
September	2,434,444	3,076,873
Totals	8,264,355	8,873,126

<u>Unique Visitors to Website</u>	2008	2009
July	45,987	48,513
August	47,023	54,685
September	40,655	54,631
Totals	133,685	157,829

<u>Free Advertising Dollars Leveraged</u>	2008	2009
July	\$455,301	\$740,941
August	\$726,337	\$508,492
September	\$262,598	\$502,210
Totals	\$1,444,236	\$1,751,643

Proposed 2009 Fourth Quarter Image & Communications Activities

- Revise the Fashion District website.
- Support Fashion Week / Market Week events.

SPECIAL PROJECTS

9th Street Median Update

We met with a vector control company to discuss the growing rat population living on the new median streetscape project. The company, that currently does vector control at the field office, is preparing a proposal for eradication and control.

Uniform Parking Signage Project Funded

The \$98,000 grant is now fully funded. We are working with Hunt Design to design, produce and install the revised Wayfinding Signs that will direct drivers to parking in the district.

We thank Congresswoman Lucille Roybal-Allard and her fine staff for helping the BID apply for the grant. The Congresswoman and her staff also defended the application before Congress with a realistic picture of the Fashion District as the economic hub of the apparel industry on the West Coast and not a neighborhood shopping mall.

Santee Alley Streetscape Project Update

Street stamping will begin after several more intersections are graded and paved.

Proposed 2009 Fourth Quarter Special Projects Activities

- Continue work on production of the Uniform Parking Signage Project.

Attachments

- 1 3rd Quarter Financial Summary
- 2 Chief of Police Selection Criteria Correspondence
- 3 LAPD Central Division BID Appreciation Award

LA Fashion District Business Improvement District

2009 Activity Reports

Fourth Quarter

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2009 OPERATING BUDGET SUMMARY

The fourth quarter improvement and activity financial results are outlined in *Attachment 1*. The total improvement plan budget for the 2009 Amended Fashion District BID is **\$3.9 million**.

FINANCE

2010 Budget & Planning Report

On December 10, 2009 the 2010 Budget and Planning Report were approved by the Board of Directors and submitted to the Office of the City Clerk.

Proposed 2010 First Quarter Finance Activities

- Prepare for Annual Financial Audit.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2009 Annual Budget **\$2,387,782** **61% of the budget**

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Fourth Quarter Contact Summary

The number of **Contacts** the BID made with merchants and the general public increased 10% in the Fourth Quarter compared to the Third Quarter.

As a proactive precaution against criminal activity, the BID continues conducting **Location Checks for Crime Prevention** with over 14,642 individual location checks recorded during the Fourth Quarter of 2009.

Disorderly Conduct was the highest activity category in the 2009 Fourth Quarter with 920 events recorded. The Disorderly Conduct category includes Drinking in Public, Trespassing, Panhandling, and Drug Activity.

In the **Illegal Vending** category activity increased 39% during the Fourth Quarter compared to the Third Quarter. Illegal food vending saw the highest activity with 819 events recorded during the Fourth Quarter. Consistent enforcement in partnership with LAPD, Health Department, and Animal Services helps to limit the rampant illegal sale of pets, DVD's and food; however illegal vending continues to damage the legal economy in the district.

Night Vehicle Patrol Discovers Burglary in Progress

On October 16, 2009 the Night Vehicle Patrol (NVP) spotted a suspicious van parked in the New Alley off of 12th Street. Their investigation led to the discovery of a burglary in progress to the clothing store, Ramini Inc. (337 E. Pico). LAPD was called and several LAPD units and a helicopter arrived within minutes. While waiting for the police to arrive and still on the phone with LAPD, NVP Officers spotted the burglar. The quick response by LAPD to our Safe Team officer's call and her great investigative skills led to a full recovery of all property which had already been loaded into the van. The suspect was arrested and booked by LAPD Central officers. This is another example of the excellent working relationship the BID has with LAPD. We will continue to work with LAPD to minimize crime in the LA Fashion District.

Crime Stats

As of December 26, 2009 crime in downtown LA is down 10.3% according to Commander Blake Chow. Violent crime is down 14%, property crime is down 9 % percent Commander Chow sees the reason for this success is the LAPD, BIDS and other community groups working together to improve public safety. The focus on nuisance behavior crimes such as graffiti, illegal dumping, trash, drinking in public, aggressive panhandling play an important role in creating a safe public environment. Commander Chow credits community interaction, foot beats, technology and strong partnerships with BIDs as playing key roles in ensuring public safety.

Catering Trucks and Illegal Dumping

The BID is now collecting trash for a fee from catering truck owners. The plan has made a positive difference in the cleanliness of the district. Previously the Board of Directors considered a proposal to allow the BID to collect trash from the catering truck vendors. The measure was considered to prevent continual illegal dumping from these curb side food vendors and help keep the district clean.

Catering truck vendors are required to pay \$40-\$50 each, per month for trash collection and agree to keep their area clean. Board Members continue to express concern about participating in this plan since many property owners are opposed to any street vending that detracts business from tenants that pay rent and taxes.

Proposed 2010 First Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Illegal Dumping and Termination of Toy District BID

Toy District BID services were terminated on December 31, 2009. Several large property owners were opposed to renewing the BID which was paying for trash pick up and security patrols through assessments on the properties. Trash pick up services stopped in early December due to the lack of funding. Council District 9 stepped in to help by deploying city services however not on the daily basis that was provided by the Toy District BID. Property owners who opposed the renewal said the work the BID was doing wasn't making a big difference and that clean & safe services can be handled internally.

In each case we are working to identify the source of the trash in order to report violations. **See Attachment 2.**

Dump Fee Increase

We received notice that the Vernon Dump has increased the dump rate by \$4.11 = 8.11% to \$54.78 per ton effective 1/1/2010. This compares to \$52.00 per ton at the City Dump. This increase now makes the Vernon Dump more expensive to use and we are using the Vernon dump as a last resort. If the City also increases its rate, we will have to re-examine the budget.

First Rain - October 14, 2009

The BID Clean Team was busy over the last several weeks cleaning storm drains of debris in anticipation of the first rainfall. We also placed sandbags in areas known to flood during heavy rainfalls. They worked hard to minimize flooding in the district that is due to inadequate storm drains and uncollected debris from other locations._

Graffiti Removal

2009 fourth quarter graffiti removal records show a 14% increase over 3rd quarter totals.

Graffiti Removal – 4th Quarter 2009

3 rd Quarter Total	1307	4 th Quarter Total	1496
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Trash Tonnage

2009 fourth quarter trash tonnage records show a 17% increase over 3rd quarter totals. More trash indicates more business is being done in the district.

Trash Tonnage – 4th Quarter 2009

3 rd Quarter Total	413	4 th Quarter Total	482
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Proposed 2010 First Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget	\$418,742	18% of the Overall Budget
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This portion of the annual Fashion District BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, and Uncollected Revenue.

ADMINISTRATION

GOVERNANCE

Board Member Election

On December 31, 2009 the terms of twelve of the fifteen members of the Downtown Property Owners Association (DPOA) Board of Directors will end. This is the sixth direct election of Board Members by LA Fashion District property owners. The 2008 Election was postponed due to the BID Renewal.

The Election Committee met on July 30, 2009 to review election timeline and procedures for the 2009 Board of Directors election. On August 14, 2009, all property owners within the boundaries of the LA Fashion District Business Improvement District (BID) received an invitation to become a candidate and election instructions. Nominations closed on September 21, 2009. 14 candidates will run for the 12 Board seats.

Voting ballots will be mailed in November. The campaign ended on December 2nd. Election results were publicly announced at the Board of Directors on December 10, 2009. The newly elected members will serve staggered terms.

- Laura Aflalo
- Mark Chatoff
- Mark Cohen
- John C. Day

- Barry Gold
- Ramin Haverim
- Peter Kaplan
- Lance Kluger
- Darlene Kuba
- Jaime Lee
- John Van Den Akker
- Suzette Wachtel

The following outgoing Board Members were thanked for their service:

- Sharen Emrani Bekhrad
- Ethan Eller
- Sina Kangavari
- Steve Needleman
- Ann Simons
- Eli Taban
- Mark Weinstein

ADVOCACY

Downtown Infrastructure

Councilmember Jan Perry is sponsoring a motion requesting the City's Public Works Department and DWP to inspect the condition of Downtown's infrastructure. The purpose of the review is to prepare a long term plan for the improvement of Downtown Infrastructure. The BID is supporting the Councilmember's efforts.

Anti Counterfeiting Legislation Affecting Property Owners

AB 568 was enacted this past summer. The bill allows premises where counterfeit merchandise is sold to be declared a nuisance and will enable prosecutors to take action to eliminate the nuisance.

The bill authorizes a district attorney or other appropriate local prosecutor to bring legal action to eliminate and prevent a property from being used to conduct counterfeiting operations. Such legal action would be the last recourse in efforts to stop property from being used for counterfeiting. A property owner will have ample and many notices from law enforcement about the illegal use of the property before the prosecutor institutes action to close down the property. Just as property owners are accountable for other illegal activities that occur on their premises, property owners should also no longer be able to turn a blind eye toward counterfeiting. This bill provides that a building or place used to manufacture or sell counterfeit goods is a nuisance and will enable prosecutors to take action to eliminate the nuisance.

DWP Demand Charges

On October 14, 2009 Kent Smith met with the heads of LA's port, airport and newly appointed DWP Executive David Freeman who led DWP during the Riordan administration. Many property owners have expressed concern about changes to DWP's pricing structure which have substantially increased their operating costs. During question period Smith asked Mr. Freeman about DWP's new demand charges implemented on July 1, 2009 which significantly increased power rates for daytime electricity use versus evening use. Smith pointed out that these charges put on unfair burden on businesses which use power during the day instead of residents who use power during the evening.

Mr. Freeman defended the new demand charges as more efficient pricing which reflects the true costs of producing power in Los Angeles. He stated that the peak use of power is during the day and the costs to produce peak power is much higher than to produce power in the evening. Therefore he believes that these cost increases which were approved by City Council are justifiable.

He also acknowledged that the commitment to stop using coal to generate electricity by 2020 will significantly increase power rates in Los Angeles. However he stated that DWP rates are 20% cheaper than the average cost of electricity in the rest of the County of Los Angeles.

Parking Meter Fee Changes

With the help of Councilwoman Jan Perry we reduced the number of meters that will be active on Sunday and just as importantly we delayed the implementation of Sunday hours until January, 2010.

We want to thank Councilmember Jan Perry and her staff who work tirelessly to help us continue the revitalization of the LA Fashion District and downtown Los Angeles.

City Attorney to Visit the Fashion District

The visit was cancelled by Mr. Trutanich due to a schedule conflict. Another date will be considered at a future time.

Mayor's Fashion Council

Kent Smith was appointed to serve on the Council.

Proposed 2010 First Quarter Administration/Advocacy Activities

- Continue to advocate for the Fashion District BID.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

CRA Business Retention Project - Store Inventory Survey

CRA student interns completed a district wide survey by the end December. All street level stores are included. The data will be used to update the website searchable directory.

Winter – Spring Newsletter

BIDLines was distributed to owners and merchants. A copy is included as Attachment 2.

Fourth Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising

<u>Media Impressions</u>	2008	2009
October	24,932,954	39,016,044
November	29,289,520	20,830,668
December	43,973,986	36,096,349
Totals	98,196,460	95,943,061

<u>Website Hits</u>	2008	2009
October	2,620,387	2,862,538
November	2,298,062	2,536,668
December	2,182,330	2,339,224
Totals	7,100,779	7,738,430

<u>Unique Visitors to Website</u>	2008	2009
October	41,160	54,099
November	38,004	49,260
December	34,329	46,341
Totals	113,493	149,700

<u>Free Advertising Dollars Leveraged</u>	2008	2009
October	\$271,020	\$353,164
November	\$259,812	\$130,687
December	\$478,957	\$268,319
Totals	\$1,009,789	\$752,170

Proposed 2010 First Quarter Image & Communications Activities

- Complete Website update
- Plan Annual Meeting and Ribbon Cutting Ceremony

SPECIAL PROJECTS

Uniform Parking Signage

At the December 10, 2009 Board Meeting, Members reviewed design options prepared by Hunt Design. To reinforce the message and brand Hunt Design is creating parking lot entrance signage for installation by lot owners using the Fashion District icon. This same icon was also used in the street stamping seen above.

Santee Alley Streetscape Project Update

Colorful street paving and decorative light fixtures are part of the ongoing streetscape improvement project.

We thank U.S. Congresswoman Lucille-Roybal Allard, Metropolitan Transit Authority, and the City of Los Angeles for supporting grant funding for the improvements.



FY2011 Congressional Funding Appropriation Request

On December 29, 2009 the BID submitted a letter of support to be included in an application package for Congressional Funding Appropriations for Phase 3 of the Fashion District Streetscape Improvement Project.

In the last MTA Call for Projects we lost out on our bid to procure \$1.7 million for the Phase 3 Streetscape Project. Competition for these monies is now very high and at the time of application we had not started construction on Phase 1. Since then the Department of Engineering has kept our project in mind and when the opportunity presented itself they moved to include the Fashion District in their application for FY2011 Congressional Funding Appropriations.

The proposal package must first be vetted by the Mayor's Business Team. If our project is selected to continue in the process then it will be submitted to the Congressional Office for funding consideration. We prepared a support letter to Congresswoman Lucille Roybal-Allard to include with the application.

We are hopeful that the Phase III project is selected for consideration and \$2 million in funding. Completing all three Phases of this 38 block pedestrian streetscape improvement project will finalize a 10-year effort that was launched in April 2000 with the help of the District Congressional Office, the City of Los Angeles, and our property owners including Selma Fisch.

To demonstrate the BID's ongoing commitment the BID will have contributed \$175,000 for all three phases of this major construction project that we hope will ultimately bring over \$5 million of improvements to the district.

Proposed 2010 First Quarter Special Projects Activities

- Continue work on production of the Uniform Parking Signage Project.

ATTACHMENTS

- 1 Fourth Quarter Financial Report
- 2 Landlord's pullback put LA Toy District at Risk
LA Times, December 21, 2009
- 3 BIDLINES newsletter – Winter 2009